Levying cess on domestic production of silk

2577. SHRI M. RAJASEKARA MURTHY: Will the Minister of TEXTILES be pleased to state:

(a) whether the Central Silk Board Act gives powers to CSB to levy Cess on domestic production of silk products and on exports;

(b) if so, the reasons for not levying the tax so far;

(c) the reasons for this proposed levy of 0.5 per cent on exports of silk products after a lapse of fifty years; and

(d) whether Government are aware of the fact that by levying export duty on silk goods, our silk will become uncompetitive in the international market?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI V. DHANANJAY KUMAR): (a) to (d) Section 10(1) of the Central Silk Board Act 1948 provides that 'with effect from such date as the Central Government may, by notification in the official Gazette appoint, there shall be levied and collected as a cess for the purposes of this Act a duty of excise on all filature raw silk, and on all spun silk, reeled in the territories to which this Act for the time being extends at such rate as the Central Government may, by notification in the official Gazette, from time to time, fix.' Central Government has not so far issued any such notification. Levy of this cess may have an adverse impact on the growth of sericulture activities.

There is no provision under the Act regarding levy of cess on silk exports.

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